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C O N F I D E N T I A L RANGOON 000974

SIPDIS

STATE FOR EAP/BCLTV; PACOM FOR FPA

E.O. 12958: DECL: 08/21/2015

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SUBJECT: UNDP CHIEF IN BURMA CALLS GLOBAL FUND'S DEMISE

"THE RIGHT DECISION"

Classified By: CDA Karl Stoltz for Reasons 1.4 (b,d)

**¶11.** (C) SUMMARY: UNDP's Burma chief, the senior UN official in country, briefed donors on August 22 on the recent decision by the Global Fund (GF) to terminate its program in Burma. He said the GF was never truly workable in Burma and he is relieved it was canceled before substantial commitments were made. The UNDP rep expressed fear the cancellation may lead donors to conclude wrongly that it is not possible to provide humanitarian assistance successfully to Burma. He also warned that the GOB could blame its Minister of Health, who has been forward leaning in addressing UN concerns. Driven by GF requirements, UNDP has negotiated new mechanisms to deliver aid and wishes to prepare a new public health aid plan that preserves accountability safeguards already accepted by the GOB. END SUMMARY.

**¶12.** (C) On August 22 the UNDP Resident Representative for Burma, Charles Petrie, briefed key donor embassies in Rangoon on the recent decision by Global Fund (GF) to stop operating in Burma. (Note: A/Charge represented the U.S. Embassy at the briefing that was deliberative, rather than confrontational. End Note.) Petrie said he supports the decision by the GF to withdraw support for Burma. He admitted that the program was never workable from the start, because it was not possible to negotiate minutiae with the GOB and still keep to strict project timelines. He was relieved that the GF had canceled now, and not later, when administrative and compliance issues would be further advanced and messier to resolve.

**¶13.** (C) At the same time, the UNDP representative expressed fear that some donors will wrongly conclude that it is no longer possible to provide humanitarian assistance in Burma without strings attached. Others at the meeting expressed concern that INGOs could be subject to the same "intolerable" restrictions as the GF. Petrie noted that the GOB might try to split IOs from INGOs in country, cooperating with the former and trying to restrict activities of the latter. He said, "We must stand together and not let that happen."

**¶14.** (C) Petrie expressed concern that Burma's Minister of Health, Dr. Kyaw Myint, might also become a victim of the GF cancellation. Petrie said this would be a sad day for Burma as Kyaw Myint is one of the only technocrats left in the GOB and one of "the last remaining lights in this government." The minister has been instrumental in persuading the GOB to allow safeguards for humanitarian assistance programs, and if he goes, UN missions may find their work even more difficult.

**¶15.** (C) The UNDP believes that it now has four months left, before all GF funding ends, to try to put into place new mechanisms to deliver urgently needed public health aid to Burma. The AIDS epidemic in Burma is poised to grow exponentially and this will have a strong ripple effect on neighboring Thailand, India, and China, erasing positive gains they have made recently. Petrie stressed that it is essential to preserve the safeguards that the UN has already negotiated and not let the GOB use the GF cancellation to try to roll back those advances.

**¶16.** (C) COMMENT: Judging from the UNDP representative's candid remarks to the donor group, we have the impression that he may expect his own tour in Burma to end in the near future. Petrie has had to walk a tightrope between the GOB straightjacket and donor constraints. It is hard to imagine anybody wanting to take over the difficult role he has had to fill. END COMMENT.

Stoltz